

# **Maryland Businessman Jeffrey Cohen Sentenced to 37 Years in Federal Prison for Crimes Uncovered by Delaware Insurance Department**

DOVER, DE – Delaware Insurance Commissioner Karen Weldin Stewart announced today that former insurance company executive Jeffrey B. Cohen, was sentenced to 37 years in federal prison and required to pay \$137 million in restitution by U.S. District Court Judge William D. Quarles, Jr. in Baltimore, Maryland today. Cohen had perpetrated multiple frauds upon policyholders of an insurance company controlled by him, and later threatened and planned to harm Delaware Insurance Department representatives and a Delaware Chancery Court judge. The threats and plans to do violence were apparently in retaliation for the Commissioner's shuttering of his insolvent insurance empire. Cohen had pleaded guilty in June to charges of fraud, aggravated identity theft, obstruction of justice and making false statements to Delaware insurance regulators. His surprise guilty plea came after only 4 days of testimony in what was planned to be a month long trial.

Cohen owned and operated over a dozen companies, one of which, Indemnity Insurance Company RRG, became subject to Commissioner Stewart's oversight after it re-domesticated to Delaware in November 2010. Cohen's empire began to unravel when the Delaware Insurance Department began examining Indemnity to confirm its financial fitness. While that examination was ongoing a Department analyst became suspicious

that a bank confirmation provided in a quarterly financial filing was fraudulent. Soon afterward, the Delaware Chancery Court granted Commissioner Stewart's request for an order to seize Indemnity to protect its policyholders from further loss. Continued investigation by Commissioner Stewart's team confirmed that the bank confirmation was bogus. Other financial frauds were uncovered, including Cohen's submission of additional false information to the Department, policyholders, other states' regulators, and insurance rating agencies. The Delaware Chancery Court agreed with the Department that Indemnity was insolvent and placed it into liquidation on April 10, 2014. The liquidation order followed multiple legal challenges by Cohen and his entities which were rejected by the Delaware Chancery Court and ultimately the Delaware Supreme Court. Cohen had also brought several lawsuits in the state and federal courts in Maryland in an effort to derail the Commissioner's investigation. The federal criminal charges arose from the investigation by the Commissioner's representatives, and those charges were supplemented to include the discovery of weapons, bomb making materials, disguises and attack plans uncovered when federal law enforcement agents raided Cohen's house to arrest him for the financial frauds.

Commissioner Stewart stated: "This type of criminal conduct is horribly sad. Cohen's illegal acts caused terrible losses to innocent claimants and policyholders. However, I am very proud that my Department acted so quickly and aggressively to uncover his misdeeds. We took immediate action to minimize the loss to future policyholders and claimants. I hope this case sends a clear message that my Department will vigorously pursue any and all attempts to defraud the public."

For more information, call 302-577-5259.

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